

Proposed Charter Amendments FAQ

On Saturday, May 7, 2005, Frisco voters will be asked to consider, among other things, two proposed Charter Amendments. State law forbids the City from taking an official stand on any City of Frisco election issue. The following are frequently asked questions that have been posed to the City regarding the proposed Charter Amendments and their attendant factual responses:

Question: What is Proposition #1?

Response: Some of the primary elements of Proposition #1 are: (1) requires that a \$250,000 surety bond be secured in order for a building permit to be issued for a new home; (2) limits the maximum total bond to \$2,000,000 for multiple houses; and (3) requires that the payment for repairs to a home covered by the bond be paid upon complaint by either the homeowner or the city.

Question: How much will the cost of the bond add to a new home?

Response: At the present time we do not know, because we have been unable to find a surety company which will underwrite the bond as stipulated in the charter amendment.

Question: What happens if the city is unable to find a company to provide the bonds?

Response: Permits for new homes cannot be issued after June 7, 2005, if the proposition passes at the May 7th election and bonds are unavailable.

Question: Why did the city word the proposition such that bonds are not available?

Response: State law allows charter amendments to come before the voters by citizen initiative (by signature of a required number of voters on a petition). The city did not write the proposed charter amendments and is not allowed to change the language of the amendment.

Question: If the amendment passes and bonds are not available, with new housing construction coming to a halt, what happens to city revenue?

Response: Based upon the suppositions in the above question, the city manager has estimated that the city will lose approximately \$10 million in annual revenue.

Question: Will my taxes go up as a result?

Response: The city council will have to decide what to do about the lost revenue. Service cuts could be made, taxes could go up, or a combination of both.

Question: Is the city council for or against the propositions?

Response: State law forbids the city from taking an official stand on any City of Frisco election issue.

Question: What is proposition #2?

Response: Requires a homebuilder to tell a new homebuyer all of the warranties on all elements of the house along with the risks which may be incurred and the homebuyer giving up their rights to a trial by jury.

Question: What are the implications if a builder violates this proposition?

Response: Failure to comply with this proposition requires the city to suspend the builder's ability to construct houses. This brings up major liability issues for the city, the builder, and new homebuyers. It is possible that a builder could violate this on one new home and be suspended from construction on all other homes being constructed by the builder in Frisco.

Question: When can the charter be amended again?

Response: According to state law, 2 years.

Question: Why were these propositions placed on the ballot?

Response: State law required the city council to place the two propositions on the ballot due to the required number of signatures on the petitions for each proposition to amend the charter being gathered and submitted to the city by a political action committee.